raise the level of exports which, *inter alia,* include reduction in the export credit rates for both pre-shipment and post-shipment credit, special financial package for manufacturer exporters, extension of normal repatriation period of export proceeds up to 360 days and upward revision of duty drawbacks and abolition of DEPB value caps on a number of product groups beyond such short term measures, a medium term export strategy has also been unveiled by the Government to achieve a quantum jump in exports over the next five years. Further, the EXIM policy for 2002—07, announced recently, also incorporates a number of proactive measures to promote exports including permission to offshore banking units in Special Economic Zones, transport subsidy for export of certain agricultural products, development of centres of export excellence, additional support for electronic hardware exports and measures aimed at further reducing the transaction costs of exports.

Permission for setting up private banks

3160. SHRI K.B. KRISHNAMURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has accorded permission for setting up two more private banks by business/industrial houses;

(b) whether our banking network has already penetrated into remotest part of the country; and

(c) whether Government would consider putting cap on the opening of new banks/branches, until we are able to clean up the present banking sector through a regulatory body?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir. Reserve Bank of India (RBI) granted 'in-principle' approval to two applicants for setting up new banks in the private sector.

(b) RBI has reported that the number of rural branches of Commercial Banks has gone up from 1523 in July, 1969 to 32,527 in September, 2001. The country has an impressive network of rural branches, which are considered adequate to meet the banking

requirement. Further, the adoption of Service Area Approach (SAA) to rural lending under which each bank branch is expected to cover 15 to 25 villages ensured that the banking needs of every village in the country, including those in remote areas, is adequately taken care of.

(c) At present banks which are financially sound are permitted by RBI to open new branches.

Evasion of Excise Duty on Globally Funded Projects

3161. SHRI K.B. KRISHNAMURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether large-scale excise duty evasion has been detected by the Directorate General of Excise Investigation on goods supplied to globally funded projects/institutions like UN, UNICEF, UNDP, World Bank, FAO, WHO and Asian Development Bank, etc.;

(b) whether the Central Board of Excise and Customs has been sounded to this effect; and

(c) if so, the action taken by Central Excise authorities to unravel the racket?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir. Cases of central excise duty evasion have been detected in respect of supplies to certain globally funded projects.

(b) Yes, Sir.

(c) Cases have been booked against the suppliers concerned and necessary action, in accordance with law, is being taken to recover the duty evaded.